

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Judgment Creditor,

v.

PYOTR BLAVATNIK and ZLATA
BLAVATNIK,

Judgment Debtors,

and

NEW YORK LIFE INSURANCE COMPANY,

Garnishee.

11 CR 0120 (DLC)

**FINAL ORDER
OF GARNISHMENT**

WHEREAS, pursuant to the Mandatory Victim Restitution Act ("MVRA"), 18 U.S.C. §§ 3613, 3664(m), and the Federal Debt Collection Procedure Act ("FDCPA"), 28 U.S.C. § 3205, the United States of America ("the Government") sought, obtained, and served a Writ of Garnishment on the Garnishee, NEW YORK LIFE INSURANCE COMPANY, for substantial nonexempt property belonging to or due the Judgment Debtors, PYOTR BLAVATNIK and ZLATA BLAVATNIK (Dkts. 649-50 and 652);

WHEREAS, on March 4, 2025, in compliance with 28 U.S.C. § 3205(c)(4), NEW YORK LIFE INSURANCE COMPANY filed an Answer of the Garnishee (Dkt. 651) and served a copy on the Government and the Judgment Debtors stating that it holds the following property belonging to or due PYOTR BLAVATNIK and/or ZLATA BLAVATNIK, subject to market fluctuation:

Account No.	Title Owner	Type	Amount
XXXX7627	Zlata and Pyotr	Universal Life Insurance Policy	\$49,500
XXXX1445	Zlata	NYLIFE Securities Account	\$3,416
XXXX4006	Zlata and Pyotr	Mutual Fund Account	\$9,707
XXXX7249	Pyotr	Mutual Fund Account	\$6,926
Total withheld			\$69,549

WHEREAS, in compliance with 28 U.S.C. § 3202(c), the Government served the Judgment Debtors, PYOTR BLAVATNIK and ZLATA BLAVATNIK, with the garnishment process 30 days ago (Dkt. 652);

WHEREAS the FDCPA requires Judgment Debtors to file a claim for exemption, objection to the Garnishee's answer, or request for a hearing within 20 days after service under 28 U.S.C. §§ 3202(d) and 3205(c)(5), that time has expired, and neither the Court nor the Government has received any such filing by or on behalf of the Judgment Debtors;

WHEREAS, pursuant to 28 U.S.C. § 3205(c)(7), after a Garnishee files an answer and if no hearing is requested within the required time period, the Court shall promptly enter an order directing the Garnishee as to the disposition of the Judgment Debtor's nonexempt interest in the property held by the Garnishee;

WHEREAS it is undisputed that the Government is entitled to garnish the substantial nonexempt property of the Judgment Debtors held by the Garnishee, *see United States v. Shkreli*, 47 F.4th 65, 71 (2d Cir. 2022) (holding that "[t]he MVRA expressly states that criminal restitution orders may be enforced against *all* property or rights to property, making quite clear that absent an express exemption, all of a defendant's assets are subject to a restitution order."); *United States v. Irving*, 452 F.3d 110, 126 (2d Cir. 2006) ("the only property exempt from [18 U.S.C. § 3613] is that which the government could not reach for the payment of federal income taxes"); *United States v. Bess*, 357 U.S. 51, 56-57 (1958) (holding that cash surrender value of life insurance policies are insured's property or rights to property to which federal lien attaches and government may enforce lien to recover cash surrender value);

WHEREAS the unpaid restitution balances owed by the Judgment Debtors, PYOTR BLAVATNIK and ZLATA BLAVATNIK, are \$421,176.22 and \$1,941,445.89, respectively;

WHEREAS the Government may make an election on a Judgment Debtor's behalf when he or she is eligible for a distribution but has not elected to receive one, *see United States v. National Bank of Commerce*, 472 U.S. 713, 725 (1985), and it hereby seeks to do so;

IT IS THEREFORE ORDERED that the Garnishees, NEW YORK LIFE INSURANCE COMPANY, shall liquidate securities as needed to pay the full liquidated value of the accounts it holds belonging to or due PYOTR BLAVATNIK and/or ZLATA BLAVATNIK to the Clerk of Court within 15 days from the date of this Order; and

Payments should be made to "Clerk of Court" with "No. 11 CR 120-14" written on the face of each payment from the individual or joint accounts of ZLATA BLAVATNIK and "No. 11 CR 120-16" written on the face of each payment from the individual account of PYOTR BLAVATNIK and mailed to the United States District Court, 500 Pearl Street, New York, New York 10007, Attn: Cashier.

Dated: New York, New York

April 4, 2025


UNITED STATES DISTRICT JUDGE